GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:1001
ANSWERED ON:27.02.2006
RETURNS TO FARMERS ON THEIR PRODUCE
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Will the Minister of AGRICULTURE be pleased to state:

(a) whether the farmers get only a meagre returns for their produce;

(b) if so, whether the middlemen appropriate the maximum profits on these products; and

(c) if so, the steps taken by the Government to check such exploitation of farmers by the middlemen?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a) & (b): The studies conducted by the Ministry in 2004 has estimated that the share of farmers in ultimate price of their produce varies from 56 to 89% in foodgrains and pulses, 40 to 85% in oilseeds and 32 to 68% in fruits, vegetables and flowers depending on the marketing channel adopted and the distance of markets.

(c): In order to reduce the role of intermediaries in the agricultural marketing chain, Ministry of Agriculture has formulated Model Law for Agricultural Marketing for bringing desired reforms in the marketing sector. This will, inter alia, provide institutional framework to support contract farming. Under this arrangement, private and cooperative sectors enter into contract with farmers for marketing of the agricultural produce and also provide technological and capital support to farmers.